Federal Communications Commission 445 12th St., S.W. Washington, D.C. 20554

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DA 10-1541

Released: August 17, 2010

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF COMMUNITY TELEPHONE COMPANY, INC. TO HILLIARY COMMUNICATIONS, LLC

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 10-151

Comments Due: August 31, 2010

Reply Comments Due: September 7, 2010

On July 23, 2010, the majority shareholders of Community Telephone Company, Inc. (Community) and Hilliary Communications, LLC (Hilliary) (collectively, Applicants) filed an application pursuant to section 63.03 of the Commission's rules to transfer control of Community to Hilliary.¹

Community, a Texas corporation, is a rural local exchange carrier (LEC) providing local exchange and exchange access service to approximately 1,500 residential and business telephone customers in six small exchanges in Archer and Clay Counties, in northern Texas.² Within this same service area, Community's wholly owned subsidiary, Comcell, Inc., also a Texas corporation, provides intrastate and interstate telecommunications services.³

Hilliary, an Oklahoma communications holding company, is owned by the following U.S. citizens, each holding a twenty-five percent equity interest: Douglas Joe Hilliary, Dustin Joe Hilliary, Edward E. Hilliary, Jr. and Michael Joe Hilliary. Hilliary is affiliated through familial, managerial and

¹ 47 C.F.R § 63.03; *see* 47 U.S.C. § 214. Applicants are also filing applications associated with international services and radio services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. Applicants filed a supplement to their application on August 13, 2010.

² Community provides service in the exchanges of Bluegrove, Joy Lake, Arrowhead Lake, Kickapoo, Scotland and Windthorst. These communities are in northwest Texas, but none are adjacent to the border with Oklahoma.

³ Comcell is also a minority owner in two wireless service providers. Comcell owns 26.21% of the equity interests of Choice Wireless, LC (Choice). Choice holds PCS licenses to serve the Lawton-Duncan, "Oklahoma BTA, which includes Medicine Park's service area in Comanche County, Oklahoma. Choice also holds PCS licenses to service the Sherman-Denison, Texas BTA, the Ardmore, Oklahoma BTA, and the Wichita Falls, Texas, BTA, which overlaps the Community service areas in Archer and Clay Counties, Texas. Comcell also owns a derivative 8.5% limited partnership interest in Texas RSA 8 Limited Partnership, which holds cellular license to serve non-overlapping territory of CMA 657 (Texas RSA 6 – Jack).

ownership interests⁴ with Medicine Park Telephone Company (Medicine Park), an Oklahoma corporation. Medicine Park is a rural LEC serving approximately 700 access lines in Comanche County, Oklahoma. The service area of Medicine Park is not contiguous to that of Community.

Wichita Online, Inc. (WOI), an Oklahoma corporation with the same ownership as Hilliary, is a certificated in the state of Oklahoma to provide competitive LEC services within the territories served by incumbents Southwestern Bell Telephone, L.P. d/b/a AT&T Oklahoma, Windstream Communications Southwest, Oklahoma Windstream, LLC and Windstream Oklahoma, LLC and Oklahoma Communications Systems, Inc. None of these areas are contiguous with the Community telephone service area in Clay County, Texas. Currently, WOI does not provide service as a LEC, but approximately 3500 customers located throughout southwest Oklahoma are provided wireless broadband services through unlicensed spectrum. WOI also provides domestic intra-and interstate long distance services to approximately 400 customers located in the Medicine Park service area.

Hilliary proposes to purchase the controlling majority (84.474328 percent) in the single class of shares of Community. The proposed transaction also will result in a transfer of control of Community's subsidiaries. Applicants assert this proposed transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(iii) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity. Because this transaction is more complex than usual, in order to analyze whether the proposed transaction would serve the public interest, this application will not be streamlined.

Domestic Section 214 Application Filed for the Transfer of Control of Community Telephone Company, Inc. to Hilliary Communications, LLC, WC Docket No. 10-151 (filed July 23, 2010).

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a non-streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before August 31, 2010** and reply comments **on or before September 7, 2010**. Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's e-Rulemaking Portal, or (3) by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: http://www.fcc.gov/cgb/ecfs/ or the Federal e-Rulemaking Portal: http://www.regulations.gov. Filers should follow the instructions provided on the website for submitting comments.

⁴ Medicine Park is wholly-owned by Hilliary Family First, LLC, an Oklahoma limited liability company which is owned 50% by Alice Jo Hilliary and 50% by the Edward A. Hilliary, Jr. Irrevocable Trust U/D/T Dated June 3, 2005 (Douglas Joe Hilliary and Edward E. Hilliary, Jr., uncle and nephew, respectively, co-trustees and also comanagers of Hilliary Family First, LLC). Alice Jo Hilliary is the widow of Edward A. Hilliary, Jr.; Alice Joe and Edward A. are the parents of Douglas Joe and Edward E. Hilliary, Sr. (who is no longer affiliated with the company). Edward E. Hilliary and Michael Joe Hilliary are the sons of Edward E. Hilliary, Sr.; Dustin Joe Hilliary is the son of Douglas Joe Hilliary.

⁵ 47 C.F.R. § 63.03(b)(2)(iii).

⁶ 47 C.F.R. § 63.03(b), (c)(1)(v).

- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- Paper Filers: Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of <u>before</u> entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (tty).

In addition, one copy of each pleading must be sent to each of the following:

- 1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, www.bcpiweb.com; phone: (202) 488-5300 fax: (202) 488-5563;
- 2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-A103, Washington, D.C. 20554; e-mail: tracey.wilson-parker@fcc.gov;
- 3) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-B155, Washington, D.C. 20554; e-mail: dennis.johnson@fcc.gov;
- 4) David Krech, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-A664 Washington, D.C. 20554; e-mail: david.krech@fcc.gov; and
- 5) Jim Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: jim.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpiweb.com.